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REDEVELOPMENT AGENCY

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HUNTINGTON BEACH
REDEVELOPMENT AGENCY

Huntington Beach Redevelopment Agency

Chairperson Jack Kelly Member Wes Bannister Member John Erskine Member Peter Green Member Ruth Finley Member Tom Mays Member Grace Winchell

Charles W. Thompson Chief Executive Officer/City Administrator

Douglas N. La Belle Director of Community Development Deputy City Administrator

Prepared by: City of Huntington Beach, Department of Community Development

A P P E N D I X A

Five Year Plan



DRAFT FIVE YEAR PLAN



Huntington Beach Redevelopment Agency City Hall, 2000 Main Street Huntington Beach, California 92648 (714) 536-5582



The Honorable Redevelopment Agency of Huntington Beach 2000 Main Street FIVE YEAR PLAN: HUNTINGTON BEACH REDEVELOPMENT AGENCY

Dear Agency Member:

The City of Huntington Beach has made great progress in the implementation of its redevelopment efforts over the past four and one half years. We now have five active areas, each designed to improve and upgrade the quality of life for Huntington Beach's 184,000 residents.

The attached Five Year Plan identifies and summarizes the goals, objectives, and activities for all of the project areas over the next five fiscal years. I trust that this Five Year Plan will provide direction and guidance as we continue to pursue our redevelopment activities in Huntington Beach.

Respectfully submitted,

Charles W. Thompson City Administrator

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Introduction and Overview

ive years ago, the Redevelopment Agency embarked on an ambitious campaign to reverse the physical blight and the economic decline of several of the city's most blighted neighborhoods. This campaign was first introduced in 1982 as the "Community and Neighborhood Enhancement Program", a concept which set in motion activities and plans to upgrade housing, stimulate investment and improve circulation patterns in each of these neighborhoods. The "Community and Neighborhood Enhancement Program" addressed short-and longterm goals for each of the four redevelopment project areas adopted that year: Main-Pier, Oakview, Talbert-Beach, and Yorktown-Lake.

Since that time the redevelopment agency has committed itself to the implementation of the "Community and Neighborhood Enhancement Program" and has successfully completed quality developments within each redevelopment project area including a nationally-recognized senior apartment complex. The progress of these project areas spurred the Redevelopment Agency to include its primary commercial center, Huntington Center, in its redevelopment plans in 1984.

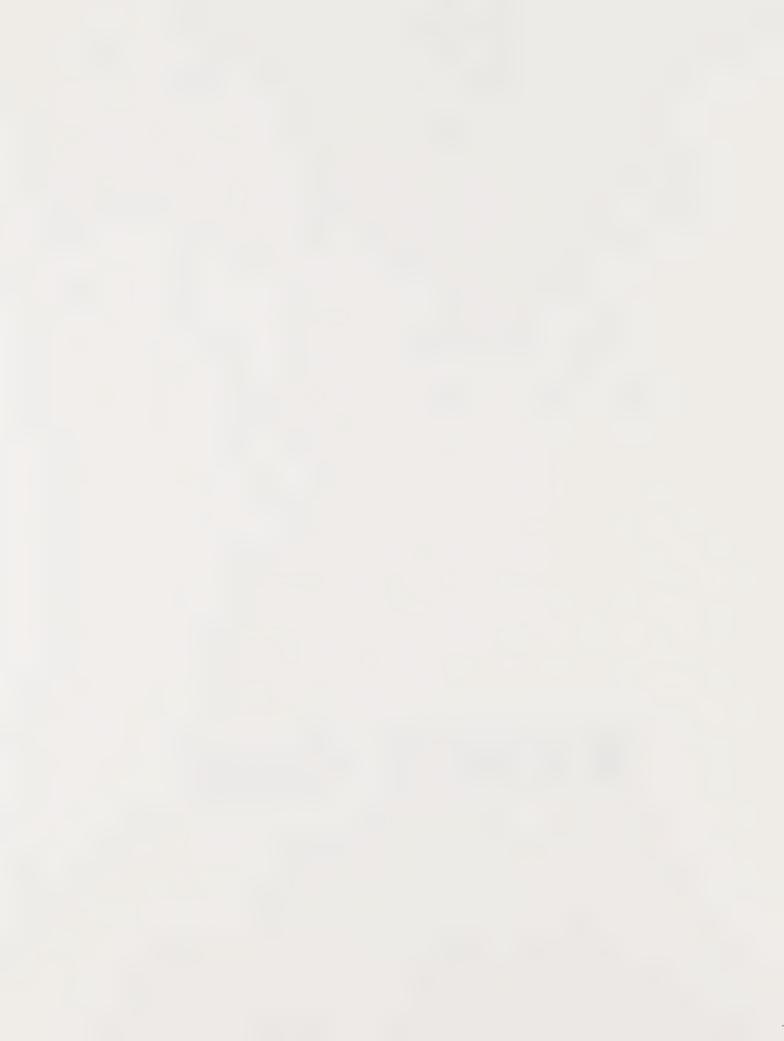
It has now been five years since the introduction of the "Community and Neighborhood Enhancement Program" in 1982. Recognizing the need to reassess goals and objectives and to provide direction for the future, staff has prepared this "Five Year Plan" as a continuation and expansion of the original "Community and Neighborhood Enhancement Program."

This "Five Year Redevelopment Plan" provides a brief overview and history of each project area as well as a discussion of goals, projects and activities recommended to be implemented over the next five years. An additional section addresses the implementation of the Housing Set-Aside and Replacement Plan, an immediate and future concern crucial to the overall success of redevelopment in Huntington Beach. Additional documents providing more information are available upon request from the Department of Community Development.

Through its redevelopment efforts the City Council/Agency is responsible for 344 new units of affordable housing, and over 1,200,000 square feet of new commercial/retail space accounting for an estimated 3800 new jobs. The continued commitment and support of redevelopment activities by the Redevelopment Agency and the overall community can ensure a viable economic stream, a physically attractive city, and a variety of affordable housing opportunities for all of Huntington Beach's residents.

HUNTINGTON CENTER

PEDEVELORMENT TROJECT AREA



HUNGION-GENTER

REDEVELOPMENT PROJECT AREA

Overview:

The Huntington Center
Redevelopment Plan was adopted by
the Redevelopment Agency in 1984
and encompasses some 160 acres of
commercial, mixed use development, public, quasi-public, and
institutional land uses. The primary
activities in this project area are:

- 1. Huntington Center A regional shopping mall of approximately 1 million square feet with anchors at Broadway, J.C. Penney, Mervyn's and Montgomery Ward. Huntington Center was expanded in 1985 to include an additional 176,000 square feet including the Mervyn's Department Store, 44 new shops, and a food court with 10 food vendors. The long term concept for Huntington Center is to obtain an additional department store and to extend the two-story mall throughout the center.
- 2. One Pacific Plaza A landmark commercial center, the 500,000 square foot complex is situated on 14.3 acres adjacent to the 405 Freeway. This master-planned business and financial center is home to two 6-story office buildings, a 4-story Memorial Health Services facility, two restaurants, a 2-story garden office complex, and parking to accommodate over 1600 vehicles. A 12-story office tower and 224-room full service Holiday Inn Hotel are currently under construction.
- 3. South side of Edinger This area encompasses a commercial strip from Sher Lane to Beach Boulevard and includes such uses as Mercury Savings and its expansion, American Savings and a variety of retail uses.

Project Area Goal:

To formulate and implement action plans to provide a safe and efficient traffic circulation system and provide long range specific development plans based on well founded market feasibility data.

Huntington Center Five Year Plan

FISCAL YEAR 1987-88:

- 1. Revise Orange County Master Plan of Arterial Highways to include the Gothard realignment.
- 2. Install a traffic signal at Center Drive and One Pacific Plaza (cost to be assumed by developer).
- 3. Complete the west bound lane on Center Drive.
- 4. Complete One Pacific Tower, a 12-story office tower in One Pacific Plaza.
- 5. Complete the Holiday Inn Hotel at One Pacific Plaza.
- 6. Prepare a Specific Plan for future development within the project area.
- 7. Seek approval from the City of Westminster for the Gothard-Hoover realignment.
- 8. Acquire parcels from McFadden Avenue to Bolsa Avenue for the Gothard-Hoover realignment.
- 9. Work with Orange County
 Transit District to implement a
 joint development project for the
 Golden West Transportation
 Center located at Gothard and
 Center Drive.

FISCAL YEAR 1988-1989:

- 1. Complete Huntington Center signal modifications.
- 2. Initiate an implementation program for the Specific Plan.

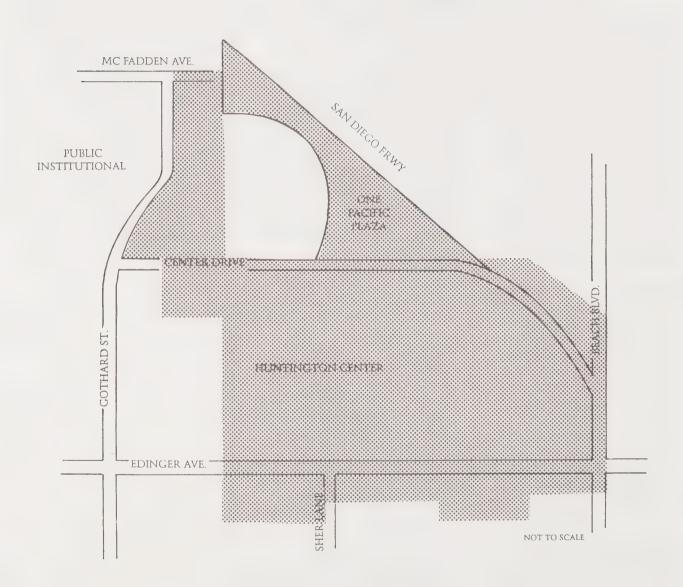
FISCAL YEAR 1989-1990:

- 1. Implement development plans identified for Huntington Center, south side of Edinger, and the Transportation Center.
- 2. Widen the McFadden bridge.

FISCAL YEAR 1990-1991:

- 1. Continue implementation of development plans identified for Huntington Center and south side of Edinger.
- 2. Complete engineering and construction drawings for the Gothard Street realignment.
- 3. Construction of Edinger Avenue expansion.

- 1. Complete implementation of development plans for Huntington Center and south side of Edinger.
- 2. Commence construction of the Gothard Street realignment.



HUNTINGTON CENTER REDEVELOPMENT PROJECT AREA



Overview:

The Main-Pier Redevelopment Plan was adopted by the Redevelopment Agency in 1982 and amended in 1983 and encompasses some 336 acres of residential, office professional, retail, and visitor-serving land uses. The primary activities envisioned in this project area to date are:

- 1. A. Main Pier Phase I
 Pierside Village A proposed
 specialty retail center located on
 the south side of the Huntington
 Beach Municipal Pier to include
 a minimum 75,500 square feet of
 retail and restaurant space. Pierside Village will house new retail
 shops, restaurants, concession
 stands, and provide additional
 parking for the village and beach
 users. The project has been
 approved by the City and by the
 California Coastal Commission
 in late 1986.
 - B. Hotel/Retail Project*-A proposed 280 room, first class hotel to be located north of Pacific Coast Highway between Main and Second Streets. Adjacent to the hotel is related commercial/retail space of at least 15,000 square feet. Also included in the project is the potential for a theatre complex and two levels of subterranean parking. Alternative land use concepts are being evaluated.
- 2. Villas del Mar A 64 unit residential condominium complex located east of Lake Street between Indianapolis and Acacia Avenues on a 2.4 acre site. The project was approved in April, 1987. Construction began in August of 1987, and completion is scheduled for May, 1988.
- 3. Town-Square* A proposed mixeduse residential/commercial complex located north of Orange Avenue, south/east of Sixth Street, and west of Lake Street. Town-Square

may be developed in several phases: The first calls for the construction of approximately 121 residential condominium units. The second phase will add approximately 50 residential condominium units and approximately 20,000 square feet of commercial/retail space. Onsite parking will be provided for all residential units in subterranean parking structures and commercial parking will be available on the street and south of Orange Avenue in the municipal parking lot.

- 4. Main Pier-Phase II* —A proposed mixed-use project located north of Pacific Coast Highway between Main and Sixth Streets. Project plans call for residential condominium units, with retail/ commercial square footage and on-site parking. Adjacent to the project is a pedestrian overpass crossing Pacific Coast Highway providing access to the Municipal Pier, Pierside Village, parking structure, and the beach.
- 5. Retail Parking Structure Project 200 Block of Main Street* This
 project, as envisioned, would provide for new retail square footage
 with potential air rights office
 space over the first floor retail,
 and a parking structure.
- 6. Lake/Atlanta Residential A proposed residential complex of 159 units located on a 6 acre site east of the Lake Street realignment between Orange, Atlanta, and Pecan St.
- 7. The Waterfront*- A mixed use project on 45 acres of land fronting the inland side of Pacific Coast Highway between Huntington Street and Beach Boulevard. The proposed project will feature 4 hotels with approximately 1500 rooms.

 Commercial uses will include a health and tennis club, retail

plaza with restaurants, and an upscale shopping plaza. The residential component of the project will feature water- oriented multi-family units. The project is proposed to be built in phases over a ten to twelve year period of time.

Project Area Goal:

To provide affordable housing opportunities; to preserve historically significant buildings while eliminating blighting influences; the elimination of seismic deficiences; and to improve and expand visitor-serving commercial facilities.

Main-Pier Five Year Plan

FISCAL YEAR 1987-1988:

- Prepare a marketing study and commence a marketing campaign for downtown.
- 2. Prepare North of the Pier Resource Documentation and State Beach General Plan
- 3. Establish a Historic Resources Board and implement concepts identified in the Historic Resources Survey.
- 4. In conjunction with the developer, complete Pierside Village development plan.
- 5. Continue downtown property acquisitions and owner/tenant relocations.
- 6. Complete engineering and design of parking structure at north side of Pier.
- 7. Begin construction of:
 - Villas del Mar Condominium Project
 - Lake/Atlanta Residential Project
- 8. Complete construction of Villas del Mar

*Contingent on project approval by Planning Commission and/or City Council

FISCAL YEAR 1988-1989:

- 1. Complete construction of:
 - Lake/Atlanta Residential Project
- 2. Begin Construction of:
 - Town Square Phase I
 - Pierside Village and Phase I Parking Structure
 - Main-Pier Phase I
 - Main-Pier Phase II
 - Retail/Parking Structure Project: 200 block of Main Street
 - Underground Utilities
 - Waterfront first hotel
- 3. Continue downtown property acquisitions and owner/tenant relocations.

FISCAL YEAR 1989-1990:

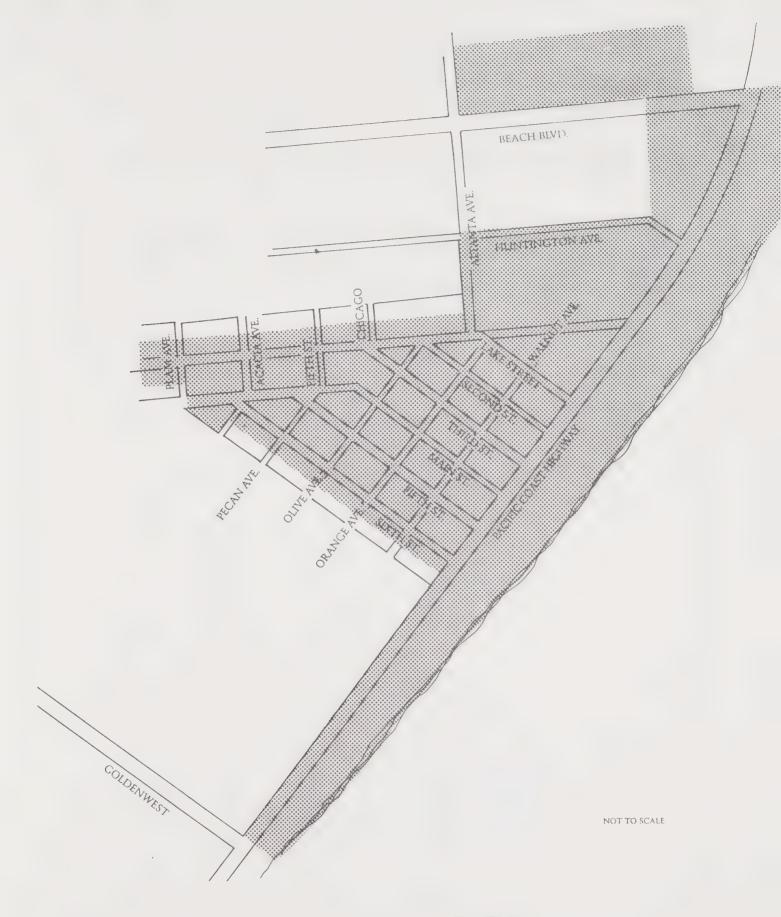
- 1. Complete construction of:
 - Town Square Phase I
 - Pierside Village Phase I Parking Structure
 - Main-Pier Phase I (Commercial)
- 2. Begin construction of:
 - Municipal pier improvments
- 3. Continue construction of:
 - Underground utilities
 - Retail/Parking Structure Project: 200 block of Main Street
- 4. Continue downtown property acquisitions and owner/tenant relocations.

FISCAL YEAR 1990-1991:

- 1. Complete construction of:
 - Main-Pier Phase I
 - Retail/Parking Structure Project 200 Block of Main Street
 - Main-PierPhase II residential
 - Waterfront-first hotel
- 2. Continue construction of:
 - Municipal Pier improvements
 - Underground utilities
- 3. Begin Construction of:
 - Waterfront Hotel Development Phase II
 - Cousteau Ocean Center
 - Walnut Avenue extension
 - Downtown street improvements
 - Main street and alleyway improvements
 - Public plaza areas
- 4. Continue downtown property acquisitions and owner/tenant relocations.

- 1. Complete construction of:
 - Municipal Pier improvements
 - Downtown street improvements
 - Public Plaza areas
 - Main Street and alleyway improvements
 - Cousteau Ocean Center
- 2. Continue construction of:
 - Walnut Avenue extension
 - Underground utilities
 - Waterfront Hotel Development Phase II
- 3. Begin construction of:
 - Commercial development and parking in the 300 block of Main Street
- 4. Continue downtown property acquisitions and owner/tenant relocations.





MAIN-PIER redevelopment project area

ADDENDUM TO THE FIVE YEAR PLAN

The following project description will be added to the Main Pier section of the Five Year Plan:

8. The Breakers - A 342 unit apartment project located on the east side of Beach Blvd., south of Atlanta. The project features one and two bedroom units. Recreational amenities include pool, spa, recreation building, tennis and volleyball courts. The project was constructed in 1984.



O:A:K:V:I:E:W

REDEVELOPMENT PROJECT AREA

Overview:

The Oakview Redevelopment Plan was adopted by the Redevelopment Agency in 1982 and encompasses some 68 acres of commercial and residential land uses and community facilities. The primary activities in this project area are:

- 1. Charter Centre This complex, located at the southwest corner of Beach Boulevard and Warner Avenue totals 400,000 square feet including a landmark 14-story office tower, three restaurants, a five-plex theatre, a health club, and a six-story parking structure. Estimated project value is \$45 million.
- 2. Koledo Lane Demonstration Project - Located on Koledo Lane, just north of Slater Avenue, Koledo Lane Demonstration Project consists of 16 4-plex residential buildings rehabilitated to Section 8 Code Standards featuring a vacated street converted to a pocket park/passive play area. Existing carports were demolished and replaced with enclosed garages and new laundry rooms. Property owners were also allowed construction of a fifth unit above the garages. These improvements were financed by Community Development Block Grant funds and private dollars. The continued maintenance of this investment is protected through a Property Owner's Association of all landlords represented in the project.

Project Area Goal:

To maximize the economic potential of commercial areas along Beach Boulevard and Warner Avenue; to protect the integrity of Oakview's residential areas; to improve the image and visual character of the Oakview neighborhood; and to maximize the effectiveness of public funds in implementing this plan.

Oakview Five Year Plan

FISCAL YEAR 1987-1988:

- 1. Rehabilitate 6 to 8 existing 4-plexes in the southern Oakview Neighborhood using Community Development Block Grant funds.
- 2. Implement the Oakview Neighborhood Plan for circulation and land use within the project area.
- 3. Implement zone changes in the northern Oakview Neighborhood:
 - a. Office Professional to Medium-High Residential (Oak Street and Ash Street—north of Sycamore).
 - b. Low Residential to Medium-High Residential or Commercial (North of Cypress between Ash Street and Beach Boulevard).
- 4. Initiate implementation of Charter Centre Phase III (south of Charter Centre to Cypress Avenue) for the construction of additional office use and parking.
- 5. Consider amending the Redevelopment Plan to raise the tax increment limitation.

FISCAL YEAR 1988-1989:

- 1. Acquire property to accommodate Precise Plan of Street Alignments, construction of streets, and relocation of displaced units.
- 2. Continue to rehabilitate 6 to 8 additional residential 4-plex buildings.
- 3. Continue implementation of Charter Centre Phase III.

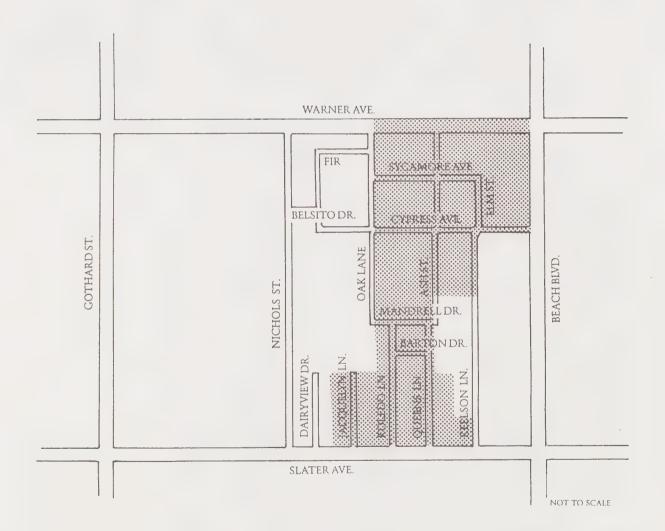
FISCAL YEAR 1989-1990:

- 1. Initiate implementation of street improvements (storm drains, street-lights, curbs, gutters, and sidewalks) in the northern neighborhood.
- 2. Continue the implementation of the Precise Plan of Street Alignment.
- 3. Complete Charter Centre Phase III.
- 4. Continue to rehabilitate 6 to 8 additional residential 4-plex buildings.

FISCAL YEAR 1990-1991

- 1. Continue to implement street improvements in the northern neighborhood.
- 2. Complete the implementation of the Precise Plan of Street Alignment.
- 3. Continue to rehabilitate 6 to 8 additional residential 4-plex buildings.

- 1. Complete the implementation of street improvements in the northern neighborhood.
- 2. Upgrade existing Community Recreation Center and expand existing play areas.
- 3. Continue to rehabilitate 6 to 8 additional residential 4-plex buildings.



OAKVIEW redevelopment project area



TALBERT-BEACH REDEVELOPMENT PROJECT AREA

Overview:

The Talbert-Beach Redevelopment Plan was adopted by the Redevelopment Agency in 1982 and encompasses some 25 acres of residential and industrial land uses. The primary activities of the project area are:

- 1. Emerald Cove A senior apartment project constructed by the William Lyon Company in partnership with the Huntington Beach Redevelopment Agency. The project consists of 164 units at 50 percent below market rental rates and features a recreation center, well-landscaped grounds, attractive design, and adequate parking. This project received a National Certificate of Merit from the U.S. Department of Housing and Urban Develop ment for public/private partnerships. Although federal Community Development Block Grant funds were initially leveraged into the project, Emerald Cove functions without subsidies from the federal or state governments.
- 2. Windward Cove A senior condominium project constructed by the William Lyon Company, this project features 96 units of for-sale housing with initial purchase prices well below market rates. The project looks out on Terry Park and is adjacent to Emerald Cove.
- 3. Capewood Developed by Citadel Service Corporation, Capewood features 54 family condominium units. Citadel participated in the Single-Family Mortgage Revenue Bond to provide below market rate home loans for first time buyers.
- 4. Talbert-Beach Industrial
 Project—Developed by Boureston
 Development, this project will
 feature a 120,000 square foot,

light industrial building on a 5 acre site located south of Talbert Ave and west of Beach Blvd. The project was approved by the City in 1987.

5. Happy Drive Residential
Project—An 89 unit senior citizen
residential project located on a site
of approximately 2 acres, south of
Happy Drive. The project was
approved by the city in October
of 1986.

Project Area Goal:

To promote consolidation and development of previously inaccessible encyclopedia lot parcels; to provide a variety of affordable housing opportunities to all segments of the community; to encourage light industrial development of vacant industrial sites.

Talbert-Beach Five Year Plan

FISCAL YEAR 1987-1988:

- 1. Commence and complete construction of the 120,000 sq. ft. industrial building.
- 2. Develop a specific design plan for the assembled residential site which is architecturally compatible with the adjacent residential projects.
- 3. Work to commence construction on the residential development project.

FISCAL YEAR 1988-1989:

1. Complete construction of the residential development project.

FISCAL YEAR 1989-1990:

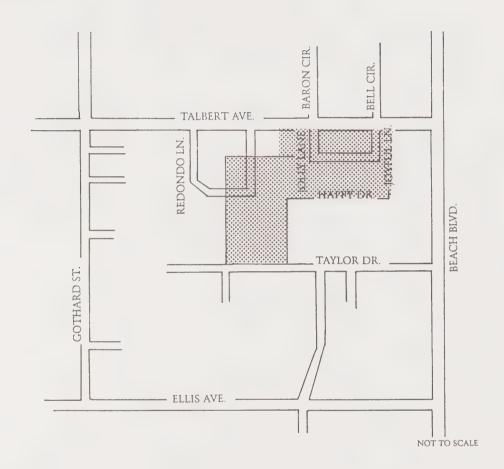
1. Upgrade as needed Agency investments and commitments to the Emerald Cove Senior Housing Project.

2. Maintain street and public improvements constructed by the Agency/City.

FISCAL YEAR 1990-1991:

- 1. Upgrade as needed Agency investments and commitments to the Emerald Cove Senior Housing Project.
- 2. Maintain street and public improvements constructed by the Agency/City.

- 1. Upgrade as needed Agency investments and commitments to the Emerald Cove Senior Housing Project.
- 2. Maintain street and public improvements constructed by the Agency/City.



TALBERT-BEACH REDEVELOPMENT PROJECT AREA

YORKTOWN-LAKE



Overview:

The Yorktown-Lake Redevelopment Plan was adopted by the Redevelopment Agency in 1982 and encompasses some 30 acres of civic center and residential land uses. The primary activities in this project area are:

1. Civic Center - An existing 188,829 square foot civic center complex consisting of a 5-story administration building, a 2-story police facility and jail, an outdoor amphitheater, meeting rooms, and the City Council Chambers.

Project Area Goal:

To support an ultimate development plan which will remove the existing blight and isolate, buffer and/or consolidate existing oil operations and to improve and expand the existing Civic Center complex with additional public facilities.

Yorktown-Lake Five Year Plan

FISCAL YEAR 1987-1988:

- 1. Consider amending the Redevelopment Plan to increase the tax increment limitations.
- 2. Prepare a new site plan for the Civic Community Center and additional parking facilities
- 3. Prepare and approve a joint development plan for the entire project area in cooperation with the Huntington Beach Company for residential uses.

FISCAL YEAR 1988-1989:

 Prepare a financial plan for improvements for the Civic Community Center and parking facilities. 2. Begin implementation of Huntington Beach Company Residential Project Phase I.

FISCAL YEAR 1989-1990:

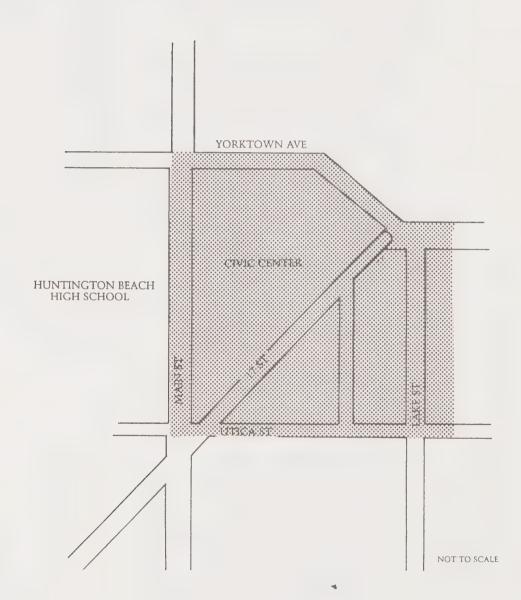
- 1. Complete final design and construction drawings for the Civic Community Center and parking facility.
- 2. Begin construction of Huntington Beach Company Residential Project Project Phase II.
- 3. Complete Huntington Beach Company Residential Project Phase I.

FISCAL YEAR 1990-1991:

- 1. Commence construction of a Civic Community Center and parking facility.
- 2. Complete Huntington Beach Company Residential Phase II.

FISCAL YEAR 1991-1992:

1. Complete construction of Civic Community Center and parking facility.



YORKTOWN LAKE REDEVELOPMENT PROJECT AREA

HOUSING SET-ASIDE AND REPLACEMENT PLAN

Introduction and Overview:

State Redevelopment Law requires that 20 percent of tax increment funds be used for the purpose of increasing and improving the community's supply of low and moderate income housing. These funds shall be placed in a separate low and moderate income housing fund until used. Monies in this low and moderate income housing fund shall be used to the maximum extent possible to defray the costs of production and improvement of low and moderate income housing and that the amount of money spent for planning and general administrative activities associated with the development or improvement of that housing not be disproportionate to the amount actually spent for the costs of production and improvement of that housing.

Also, all Huntington Beach redevelopment project area plans contain a provision that whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low and moderate income housing market as part of a redevelopment project, the agency shall, within four years of such removal, rehabilitate, develop, or construct for rental or sale to persons and families of low or moderate income an equal number of replacement dwelling units at affordable housing costs. These units must be located within the territorial jurisdiction of the agency. Approximately four (4) units of low and moderate income housing have been destroyed or removed as part of redevelopment project area activities. However, 344 units of low and moderate income housing have been constructed in existing redevelopment project areas. Staff will prepare a formal "Replacement Housing Plan" in Fiscal Year 1987-1988 to be submitted to the Agency Members for their review and consideration.

The City of Huntington Beach has not yet used any of its Housing Set-Aside funds for the production or improvement of any housing units. Funds are just now beginning to accumulate in an amount which will enable the agency to appropriate them to a meaningful use.

The following is a Five Year Plan for the agency's Housing Set-Aside Funds.

Housing Set-Aside Funds Five Year Plan

FISCAL YEAR 1987-1988:

- 1. Prepare Housing Set-Aside and Replacement Housing Plan which will identify: existing housing stock to be rehabilitated, available developable properties for affordable housing, and the for additional senior housing units.
- 2. Investigate location of appropriate sites and additional financial resources.
 Estimated Housing Set-Aside Funds: \$273,000.

FISCAL YEAR 1988-1989:

- 1. Acquire and prepare residential property sites for affordable housing projects.
- 2. Identify low income housing units in need of rehabilitation. Estimated Housing Set-Aside Funds: \$417,000.

FISCAL YEAR 1989-1990:

- 1. Develop site plan and implement public improvements for affordable housing projects.
- 2. Commence rehabilitation of deteriorating low income units. Estimated Housing Set-Aside Funds: \$552,000.

FISCAL YEAR 1990-1991:

- 1. Commence construction of affordable housing projects.
- Continue rehabilitation of deteriorated low income housing units.
 Estimated Housing Set-Aside Funds not yet prepared.

- 1. Complete construction of affordable low income housing project.
- 2. Continue rehabilitation of deteriorated low income units. Estimated Housing Set-Aside Funds not yet prepared.

Acknowledgment

Huntington Beach Redevelopment Agency

Chairperson Jack Kelly
Members
Wes Bannister
John Erskine
Ruth Finley
Peter Green
Tom Mays
Grace Winchell

Administration

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Designed and Produced

by DSI a graphic design company, Huntington Beach, CA

APPENDIX B

Analysis of Long Term Debt



CITY OF HUNTINGTON BEACH ANALYSIS OF CHANGES IN LONG-TERM INDEBTEDNESS JULY 1, 1986 TO JUNE 30, 1987

	MAIN/	TALBERT/ BEACH	OAKVIEW	YORKTOWN/ LAKE	HUNTINGTON CENTER	TOTAL
DEBT LAST OPERATIVE AGREEMENT	3,394,060	6,148,566	1,711,709	148,340	1,411,481	12,814,156
LESS ADVANCES MADE FOR F/Y 86/87 NOTE #3	-405,112	-62,793	-398,929	-22,048	-72,892	-961,774
ACCRUED INTEREST 86/87	354,699	401,639	151,060	17,049	219,010	1,143,457
GENERAL FUND ADVANCES					0	
INDIRECT, NON-CASH DIRECT EXPENSES	667,800	214,895	425,954	89,333	311,863	1,709,845
DEFERRED LAND SALE LAKE ST FIRE ST.	1,228,381					1,228,381
0.P.A. DE8T			1,648,891			1,648,891
REDIRECTION OF ADVANCES FOR FUTURE ACQUISITIONS TO HUNTINGTON CENTER-NOTE #1	-462,955	-62,793	-398,928	0	924,676	0
WATER FUND ADVANCES PLUS ACCRUED INT	144,900					144,900
RECLASSIFICATION OF DEFERRED LAND SALE PLUS ACCRUED INT, EM. COVE-NOTE #2		-1,127,995		*.		-1,127,995
NET CHANGE IN 86/87	2,074,856	-574,254	1,826,976	106,382	1,523,552	4,957,512
DEBT AT 6/30/87	5,468,916	5,574,312	3,538,685	254,722	2,935,033	17,771,668
INCREMENT RECEIVED FROM INCEPTION TO JUNE 30, 1987 NOT INCLUDING 20% SET ASIDE FOR LOW INCOME HOUSING	458,819	228,599	349,340	135,495	532,846	1,705,099
NET INCREMENT REQUIREMENT TO FULLY PAY OFF DEBT	5,010,097	5,345,713	3,189,345	119,227	2,402,187	16,066,569

REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH ANALYSIS OF LONG-TERM INDEBTEDNESS JUNE 30, 1987

KTOWN HUNTINGTON TOTAL AKE CENTER	3,020 1,840 1,840 138,90 4,486 0 32,30	125,000 237,33 12,500 23,73 0 13,750 26,10	7,558 285,251 4,013,84 3,879 29,636 274,33 8,144 31,489 428,81	1,379 1,377,433 2,881,65 4,416 69,975 144,03	138,00	690,32 69,03 0 .0 75,93	. 405,53 134,23 53,97	1,228,38	1,917,59 634,72 255,23	1,648,89	1.064.48	
YOR OAKVIEW L	23,020 21,840 24,486		949,499 62,548 101,205	425,957 11.		218,433 21,843 24,028				1,648,891	15,638	
TALBERT/ BEACH	23,020 21,827 4,485	112,336 11,234 12,357	637,250 31,862 66,911	214,895		471,896 47,190 51,909			1,917,595 634,724 255,232		1,048,845	
MAIN/PIER	115,090 73,401 18,849	0	2,064,284 .146,405 .221,069	751,988	138,000	0	405,536 134,232 53,977	1,228,381				
DESCRIPTION	GENERAL FUND ADV1979 ACC INT THROUGH 6/30/86 ACC INT 86/87	GEN FUND ADV- 1984/85 ACC INT THROUGH 6/30/86 ACC INT 86/87	GEN FUND ADV- 1985/86 ACC INT THROUGH 6/30/86 ACC INT 86/87	GEN FUND ADV- 1986/87 ACC INT 86/87	WATER FUND ADV- 1986/87 ACC INT 86/87	DEF DEV FEES ACC INT THROUGH 6/30/86 ACC INT 86/87	SALE OF SITE FOR HTG BKRS ACC INT THROUGH 6/30/86 ACC INT 86/87	DEF LAND SALE, MAIN/PIER	DEF LAND SALE, EM-COVE, ETC ACC INT THROUGH 6/30/86 PACC INT 86/87	AMT DUE TO MOLA UNDER O.P.A.	COMM DEV BLOCK GRANT ADV	

NOTE #1 - The four project areas other than Huntington Center had excess cash during the year. To ensure that sufficient debt in Huntington Center exists and to provide for land acquisitions for the Hoover/Gothard Connection, monies originally loaned to three of these project areas is redirected to Huntington Center.

NOTE #2 - During the year, amounts originally recorded as a debt of the Talbert/Beach project area was reclassified as a debt of the Emerald Cove Fund.

NOTE #3 - The last operative agreements were not updated on a fiscal year end basis but were updated to include activity through July 1, 1986 which included certain advances from the general fund for the 1986/87 fiscal year. These advances are subtracted here so the schedule shows the entire Agency debt activity for the year.

APPENDIX C

Tax Increment Historical Data and Projections



HISTORICAL DATA ASSESSED VALUATION AND TAX INCREMENT REVENUE

GRAND TOTAL - ALL AREAS

YEAR	<pre></pre>	<tax inc<="" th=""><th></th><th></th></tax>		
1985/86	12,095,200 10,677,380 1,417,820 101,287,252 93,381,617 7,905,635 226,981,921 174,993,474 51,988,447 283,559,129 174,397,832 109,161,297	21,461 75,129 505,125 1,408,750	4,292 15,026 101,025 281,750	17,169 60,103 404,100 1,127,000
	TOTAL	\$2,010,465	\$402,093	\$1,608,372
1987/88	353,147,365 178,493,440 174,653,925	1,921,193	384,239	1,536,955

	/LAKE - BASE <asse< th=""><th></th><th>(ON)</th><th>/ May rates</th><th></th><th></th></asse<>		(ON)	/ May rates		
YEAR	TOTAL	BASE YR.	INCREMENT	<pre></pre>	HOUSING	NUE> NET
1983/84 1984/85 1985/86 1986/87	3,782,989 2,498,814 2,464,220 2,513,504	2,155,107 2,155,107 2,155,107 1,969,207	1,627,882 343,707 309,113 544,297	20,563 3,713 3,273 151,624	4,113 743 655 30,325	16,450 2,970 2,618 121,299 Note 3
			TO	FAL \$179,171	\$35,834	\$143,337
1987/88	2,143,294	1,969,207	174,087	1,915	383	1,532

		ESSED VALUAT	ION>	<tax ince<="" th=""><th>EMENT REVE</th><th>NUE></th><th></th><th></th></tax>	EMENT REVE	NUE>		
YEAR	TOTAL	BASE YR.	INCREMENT	TOTAL	HOUSING	NET		
1984/85 1985/86 1986/87	24,399,373 28,812,485 62,505,707	24,278,872 24,278,872 23,926,601	120,501 4,533,613 38,579,106	1,374 58,521 350,000	275 11,704 70,000	1,099 46,817 280,000		4
			TOTAL	\$409,895	\$81,979	\$327,916		
1987/88	69,087,661	23,868,655	45,219,006	497,409	99,482	397,927	Note	4

HISTORICAL DATA ASSESSED VALUATION AND TAX INCREMENT REVENUE (CONTINUED)

TALBERT /	BEACH - BASE	YEAR 1982					
	<asse< td=""><td>SSED VALUAT</td><td>ION></td><td></td><td><tax incr<="" td=""><td>EMENT REVE</td><td>NUE></td></tax></td></asse<>	SSED VALUAT	ION>		<tax incr<="" td=""><td>EMENT REVE</td><td>NUE></td></tax>	EMENT REVE	NUE>
YEAR	TOTAL	BASE YR.	INCREMENT		TOTAL	HOUSING	NET
1007104	0 455 455						
1983/84	2,156,467	2,072,491	83,976		899	180	719
1984/85	2,481,548	1,656,018	825,530		8,646	1,729	6,917
1985/86	7,638,667	1,710,191	5,928,476		80,495	16,099	64,396
1986/87	13,391,121	1,753,701	11,637,420		178,055	35,611	142,444
			ጥ(OTAL	\$268,095	\$53,619	\$214,476
			A \	OIND	7200,093	133,019	7214,470
1987/88	14,794,933	1,720,331	13,074,602		143,821	28,764	115,056

HUNTING	TON CENTER -	BASE YEAR 19	84				
		ESSED VALUAT			<tax inc<="" td=""><td>REMENT REVE</td><td>NUE></td></tax>	REMENT REVE	NUE>
YEAR	TOTAL	BASE YR.	INCREMENT		TOTAL	HOUSING	NET
1985/86	101,222,284	81,092,845	20,129,439		124,914	24,983	99.931
1986/87	118,922,800	81,092,845	37,829,955		505,080	101,016	404,064
				TOTAL	\$629,994	\$125,999	\$503,995
1987/88	157,048,386	81,092,845	75,955,541		835,511	167,102	668,409

MAIN/PI	ER TOTAL - BA				D AREA BASE		NIIE \
YEAR	TOTAL				TOTAL		NET
1983/84	.,,	6,449,782	-294,038		0	0	0
1984/85	71,907,517	65,291,620	6,615,897		61,396	12,279	49,117
1985/86	86,844,265	65,756,459	21,087,806		237,923	47,585	190,338
1986/87	86,225,997	65,655,478	20,570,519		223,991	44,798	179,193
				TOTAL	\$523,310	\$104,662	\$418,648
1987/88	110,073,091	69,842,402	40,230,689		442,538	88,508	354,030

HISTORICAL DATA ASSESSED VALUATION AND TAX INCREMENT REVENUE (CONTINUED)

NOTES:

- 1. Assessed Valuation (AV) data from annual report prepared by County of Orange.
- 2. Tax Increment data from audited city records except 1987/88 projections which are updated (as of 9/29/87) estimates based on actual AV data provided by Orange County.
- Excess increment received from County.
- 4. Current increment CAP of \$350,000 per year assumed to be revised during 1987/88.

PROJECTIONS - 1987/88 THRU 1990/91 ASSESSED VALUATION AND TAX INCREMENT REVENUE

GRAND TOTAL - ALL AREAS

YEAR	TOTAL BASE YR. INCREM	The state of the s
1988/89 1989/90	353,147,365 178,493,440 174,653,9 404,198,391 178,493,440 225,704,9 447,900,447 178,493,440 269,407,0 565,176,544 178,493,440 386,683,1	51 2,482,754 496,551 1,986,204 07 2,963,477 592,695 2,370,782

YORKTOW	V/LAKE - BASE		[ON>	<tax incr<="" th=""><th>EMENT REVEN</th><th>IUE></th></tax>	EMENT REVEN	IUE>
YEAR	TOTAL	BASE YR.	INCREMENT	TOTAL	HOUSING	NET
1987/88 1988/89 1989/90 1990/91	2,143,294 2,186,151 3,229,874 13,294,471	1,969,207 1,969,207 1,969,207 1,969,207	174,087 216,944 1,260,667 11,325,264	1,915 2,386 13,867 124,578	383 477 2,773 24,916	1,532 1,909 11,094 99,662

OAKVIEW	- BASE YEAR	1982				
	<ass< td=""><td>ESSED VALUAT</td><td>ION></td><td><tax incr<="" td=""><td>EMENT REVE</td><td>NUE></td></tax></td></ass<>	ESSED VALUAT	ION>	<tax incr<="" td=""><td>EMENT REVE</td><td>NUE></td></tax>	EMENT REVE	NUE>
YEAR	TOTAL	BASE YR.	INCREMENT	TOTAL	HOUSING	NET
1987/88 1988/89 1989/90 1990/91	70,470,573 71,881,144	23,868,655 23,868,655 23,868,655 23,868,655	45,219,006 46,601,918 48,012,489 58,251,270	497,409 512,621 528,137 640,764	99,482 102,524 105,627 128,153	397,927 410,097 422,510 512,611

TALBERT/	BEACH - BASE	ESSED VALUAT		<tax incri<="" th=""><th></th><th></th></tax>		
	IVIAL	DASE IK.	INCKEMENT	TOTAL	HOUSING	NET
1987/88 1988/89 1989/90 1990/91	14,794,933 20,691,499 26,705,996 31,140,784	1,720,331 1,720,331 1,720,331 1,720,331	13,074,602 18,971,168 24,985,665 29,420,453	143,821 208,683 274,842 323,625	28,764 41,737 54,968 64,725	115,056 166,946 219,874 258,900

PROJECTIONS - 1987/88 THRU 1990/91 ASSESSED VALUATION AND TAX INCREMENT REVENUE

HUNTINGT	ron center - 1	BASE YEAR 19	84			
	<assi< th=""><th>ESSED VALUAT</th><th>'ION></th><th><tax incr<="" th=""><th>EMENT REVI</th><th>ENUE></th></tax></th></assi<>	ESSED VALUAT	'ION>	<tax incr<="" th=""><th>EMENT REVI</th><th>ENUE></th></tax>	EMENT REVI	ENUE>
YEAR	TOTAL	BASE YR.	INCREMENT	TOTAL	HOUSING	NET
1987/88	157,048,386	81,092,845	75,955,541	835,511	167,102	668,409
1988/89	187,459,354	81,092,845	106,366,509	1,170,032	234,006	936,025
1989/90	193,608,541	81,092,845	112,515,696	1,237,673	247,535	990,138
1990/91	203,080,712	81,092,845	121,987,867	1,341,867	268,373	1,073,493

MAIN/PIE	ER TOTAL - BAS	SE YEAR 1982	(ORIGINAL),	AMENDED AREA BASE	YEAR 1983	
	(ASSE	SSED VALUAT	'ION>	<tax inc<="" th=""><th>REMENT REVE</th><th>ENUE></th></tax>	REMENT REVE	ENUE>
YEAR	TOTAL	BASE YR.	INCREMENT	TOTAL	HOUSING	NET
1987/88	110,073,091	69,842,402	40,230,689	442,538	88,508	354,030
1988/89	123,390,814	69,842,402	53,548,412	589,033	117,807	471,226
1989/90	152,474,892	69,842,402	82,632,490	908,957	181,791	727,166
1990/91	235,540,652	69,842,402	165,698,250	1,822,681	364,536	1,458,145

NOTES:

^{1. 1987/88} Assessed Valuation data from County of Orange. 1988/89 through 1990/91 are estimates based on development assumptions in Five Year Plan.

^{2.} Tax increment revenue estimates based on 1.1% of Assessed Valuation increment.



A P P E N D I X D

Non Tax Increment Funding



APPENDIX D

REDEVELOPMENT AGENCY PROJECTS FUNDS

BUDGET AND PROJECTIONS
NON TAX INCREMENT FUNDING

			INCIPERING				
DESCRIPTION	85/86 ACTUAL	86/87 BUDGETED	86/87 REV PROJ	87/88 ESTIMATED	88/89 PROJECTED	89/90 PROJECTED	90/91 PROJECTED
	10,890		24,000	26,000	26,000	26,000	26,000
LOANS FROM OTHER FUNDS OTHER	637,250		63,000				
SUB TOTAL-TALBERT/BEACH	648,140	0	138,000	26,000	26,000	26,000	26,000
MAIN/PIER PROJECT ====================================	ል	2,000,000	36,000	39,000	40,000	40,000	40,000
SALE OF PROPERTY LOANS FROM OTHER FUNDS OTHER	2,064,284		1,800,000				
SUB TOTAL-MAIN PIER	2,114,320	2,000,000	2,521,000	789,000	40,000	40,000	40,000
OAKVIEW PROJECT ====================================	16,692		32,000	32,000	32,000	32,000	32,000
LOANS FROM OTHER FUNDS OTHER	949,499		399,000				
SUBTOTAL-OAKVIEW PROJ	966,191	0	431,000	32,000	32,000	32,000	32,000

APPENDIX D

REDEVELOPMENT AGENCY PROJECTS FUNDS

BUDGET AND PROJECTIONS NON TAX INCREMENT FUNDING

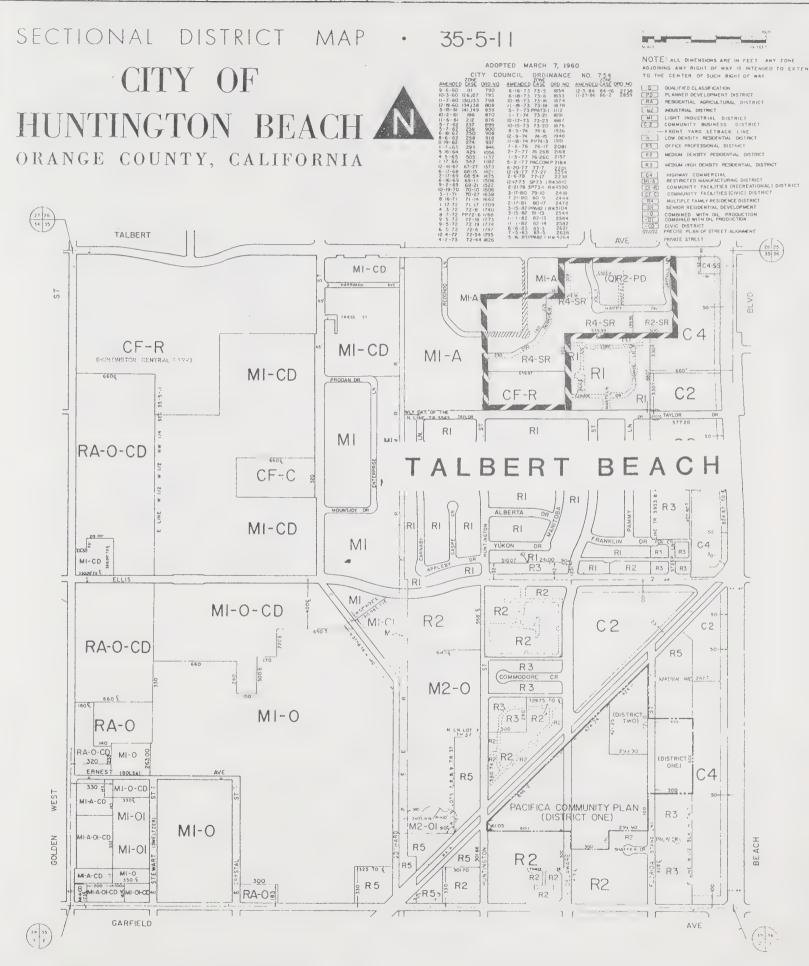
(CONTINUED)

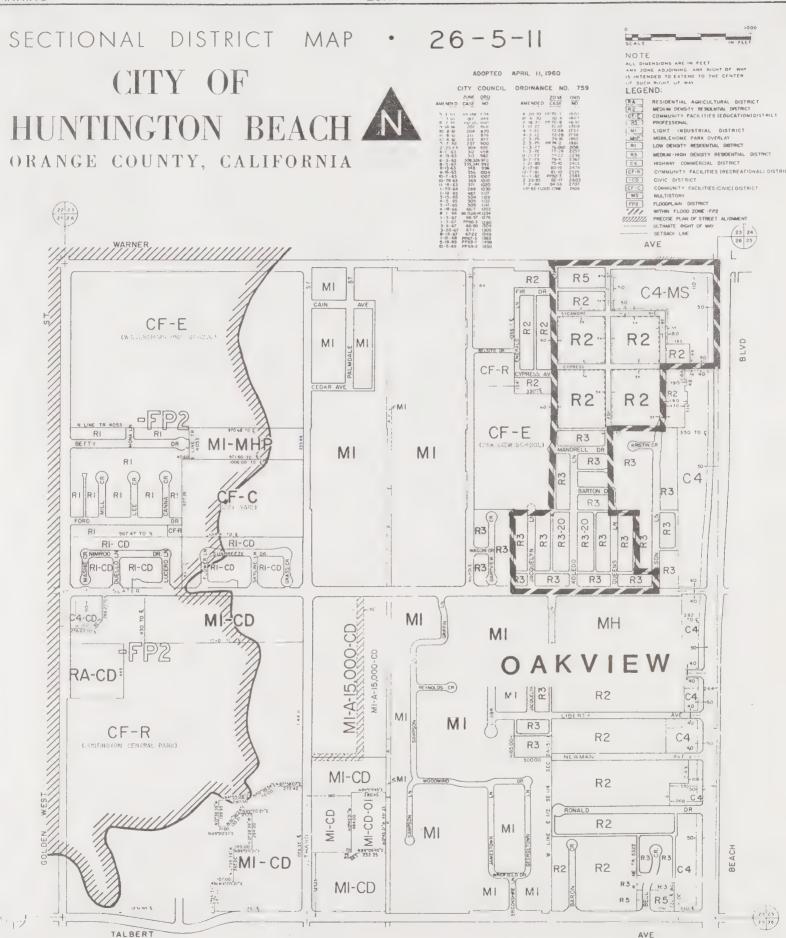
						11	- TALL
	90/91 PROJECTED	1,000		1,000	70,000		70,000
	89/90 PROJECTED	1,000		1,000	70,000		70,000
	88/89 PROJECTED	1,000		1,000	70,000		70,000
	87/88 ESTIMATED	006		006	68,000		68,000
COONTINOED	86/87 REV PROJ	8 0 0	22,000	22,800	62,000	121,000	183,000
	86/87 BUDGETED			0			0
	85/86 ACTUAL	173	77,557	77,730	T = 2	1,185,251	1,189,602
	DESCRIPTION	YORKTOWN/LAKE PROJECT ====================================	S	SUB TOTAL-YORKTOWN LAKE	INGT	SALE OF PROPERTY LOANS FROM OTHER FUNDS OTHER	SUB TOTAL-HTG CENTER

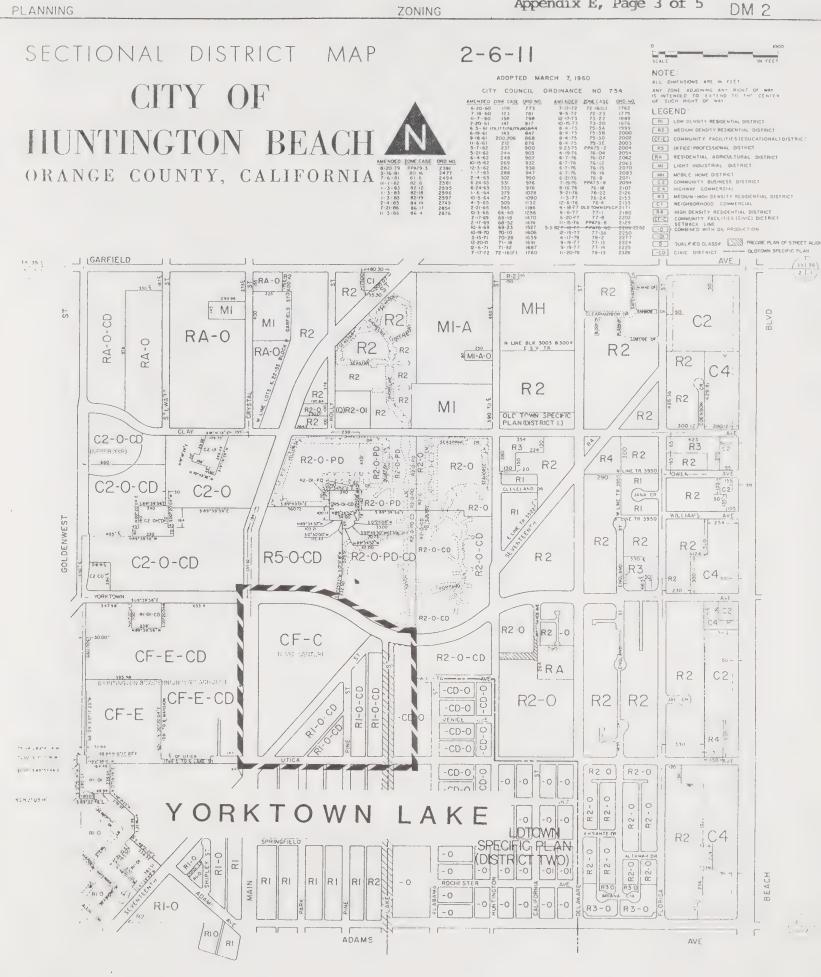
APPENDIX E

Project Area Zoning









SECTIONAL DISTRICT MAP

14-5-11

CITY OF HUNTINGTON BEACK

ORANGE COUNTY, CALIFORNIA

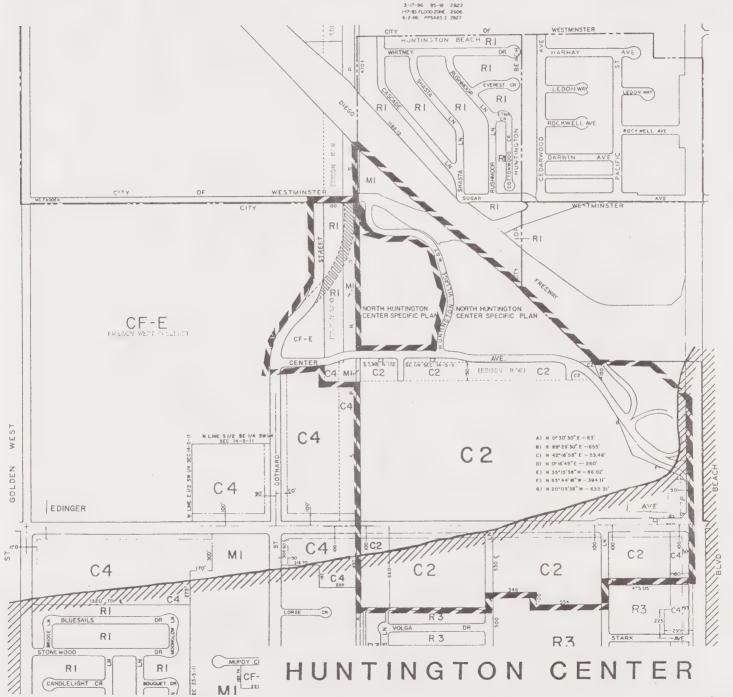


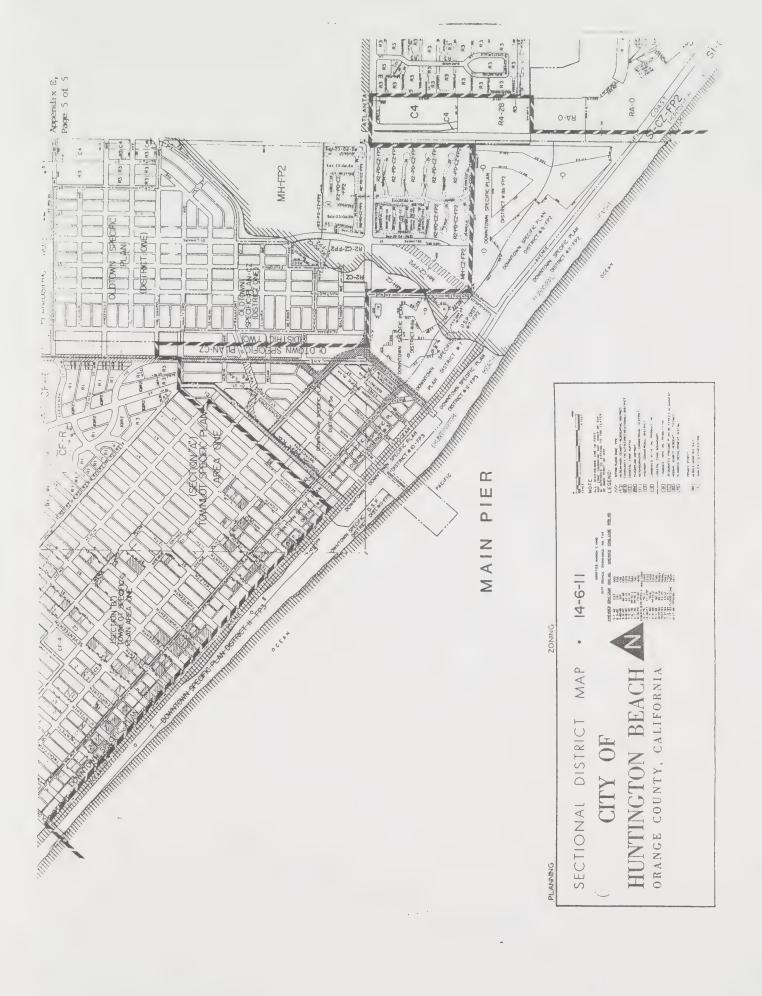
ADOPTED JUNE 20, 1960 CITY COUNCIL ORDINANCE NO. 775

NOTE LEGEND

- RT LOW DEMOTY RESIDENTIAL DISTRICT
- CE COMMUNITY BUSINESS DISTRICT
- SETRACK LINE
- CF-E COMMUNITY FACILITIES (EDUCATION) DISTRICT
- RA RESIDENTIAL AGRICULTURAL DISTRICT

 SSSS DESIGNATES PRECISE PLAN OF STREET ALIGNMENT
- ROS RECREATIONAL OPEN SPACE DISTRICT
- FP2 FLOCOPLAN DISTRICT





APPENDIX F

City/Agency Ownerships by Project Area

CITY OF

HUNTINGTON BEACH

ORANGE COUNTY, CALIFORNIA

LEGEND

Large Parcels Owned by City/Agency
Small Parcels Owned by City/Agency

Project Area Boundary USE OF PROPERTY MAP 27 26 34 35 TALBERT CF-R CF-C WEST GOLDEN GARFIELD AVE.

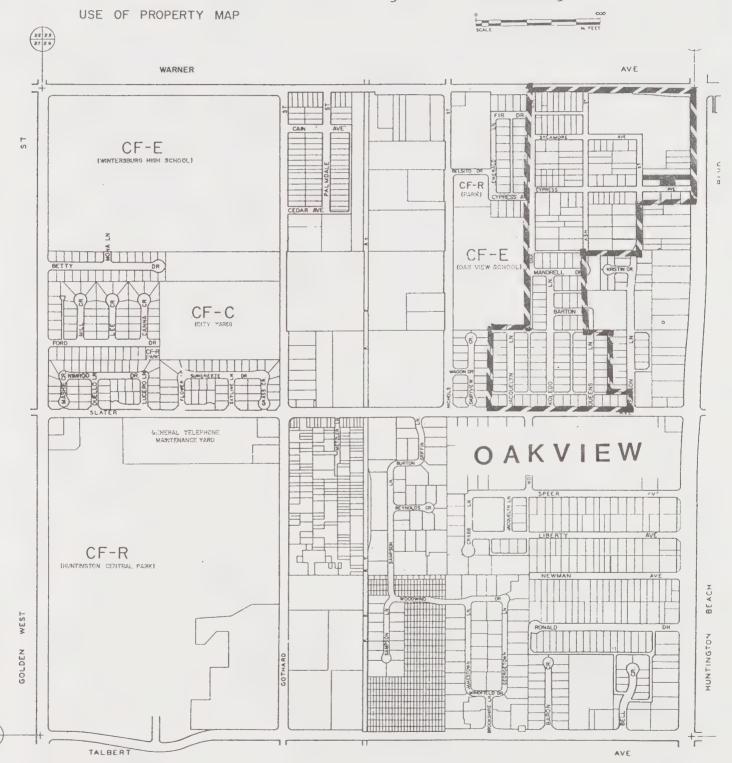
CITY OF HUNTINGTON BEACH

ORANGE COUNTY, CALIFORNIA

LEGEND

Large Parcels Owned by City/Agency
Small Parcels Owned by City/Agency

Project Area Boundary



CITY OF HUNTINGTON BEACH

ORANGE COUNTY, CALIFORNIA

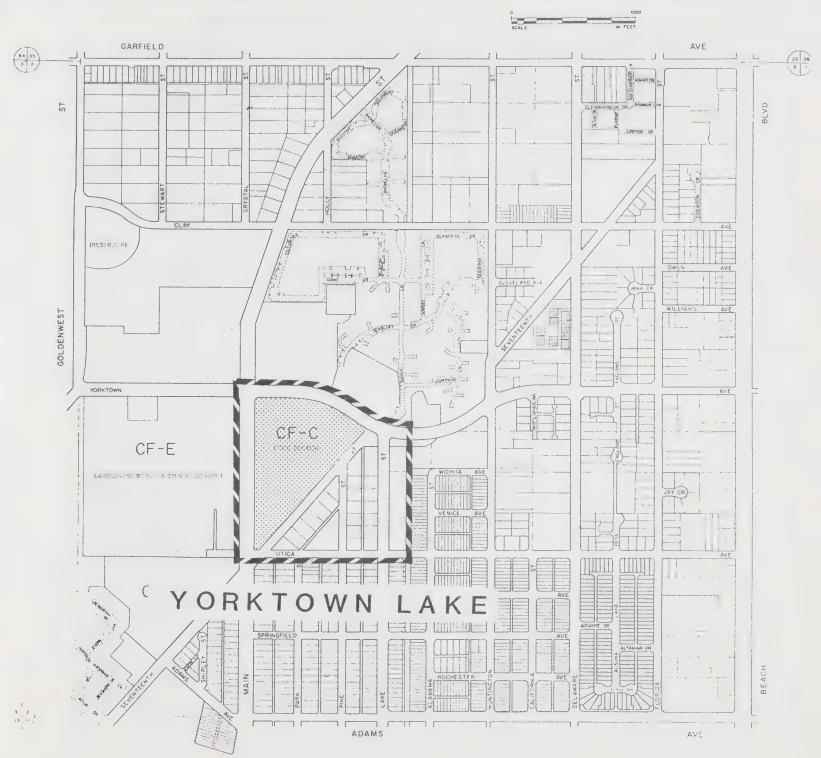
USE OF PROPERTY MAP

LEGEND

Large Parcels Owned by City/Agency

Small Parcels Owned by City/Agency

Project Area Boundary



CITY OF

HUNTINGTON BEACH

ORANGE COUNTY, CALIFORNIA

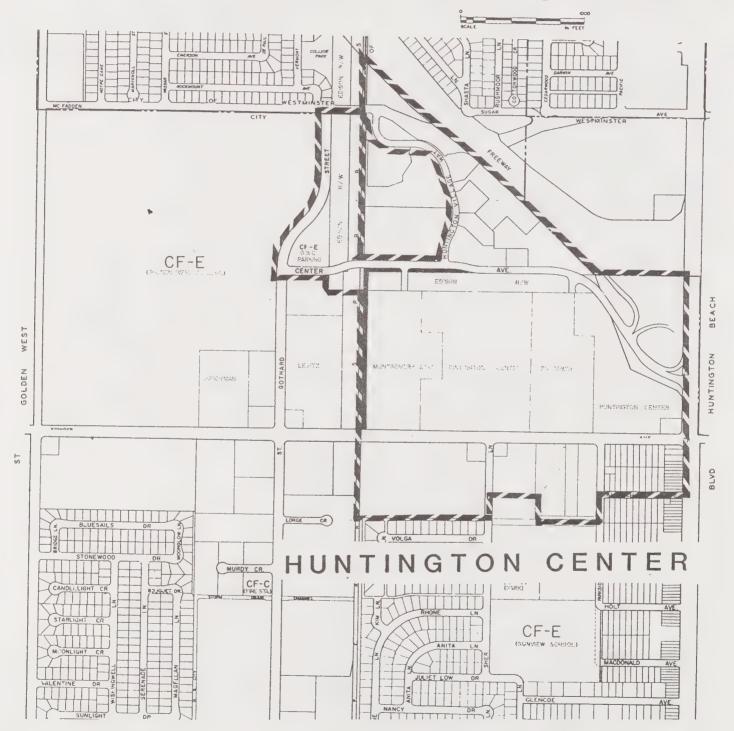
USE OF PROPERTY MAP

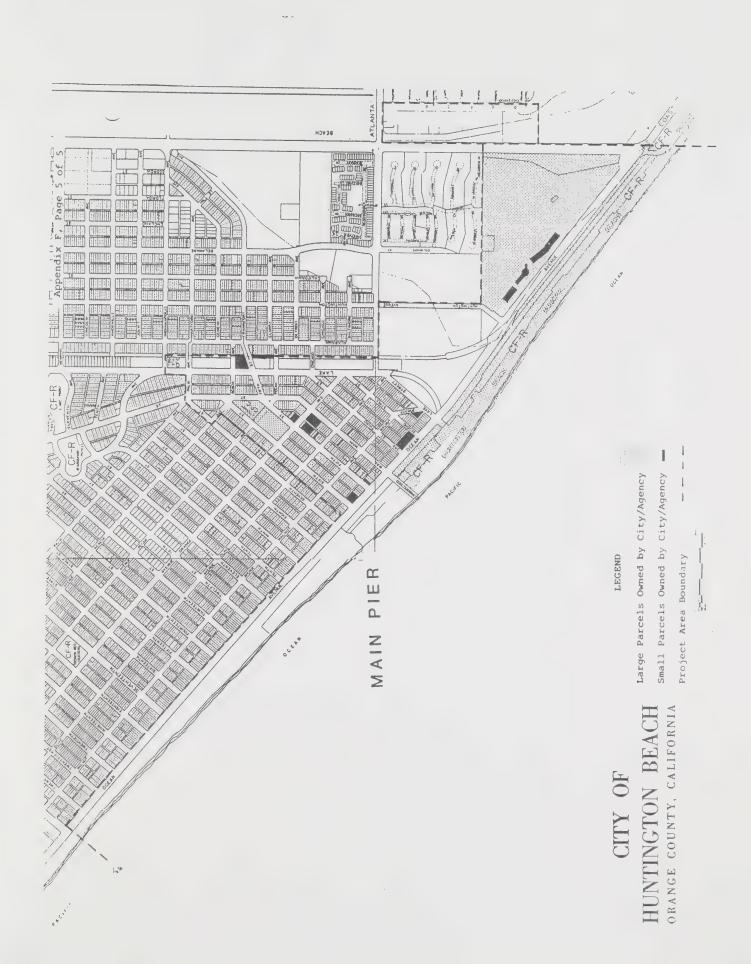
LEGEND

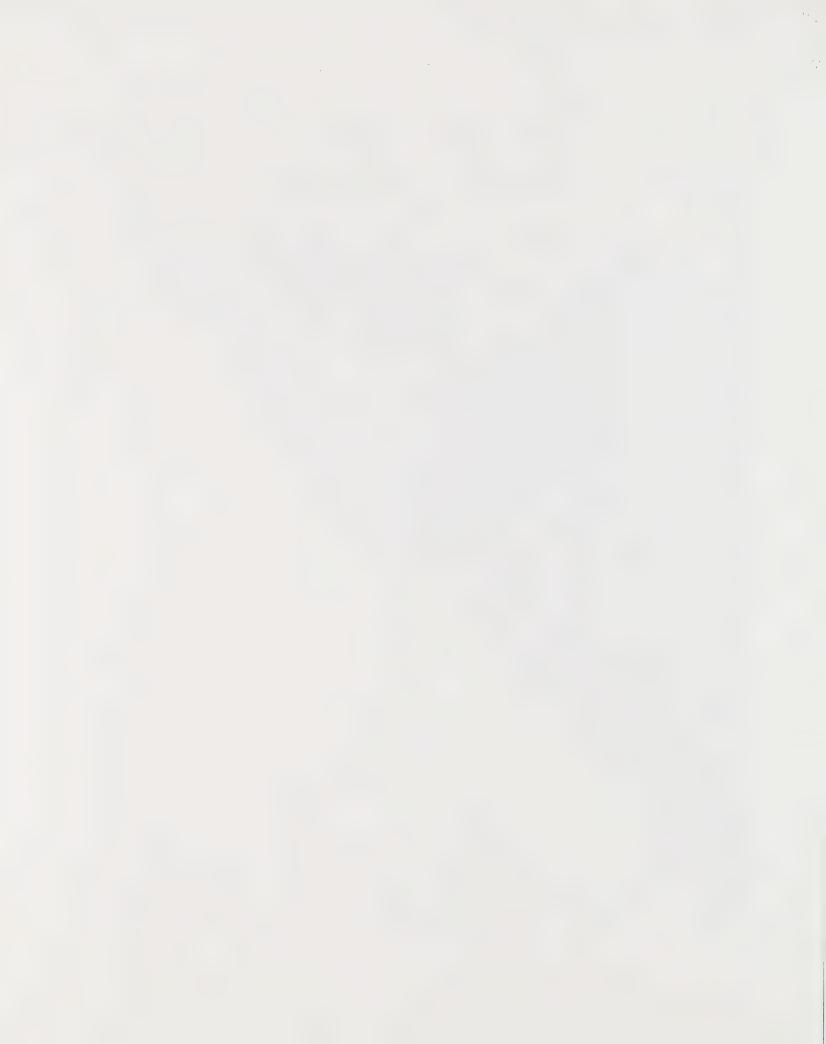
Large Parcels Owned by City/Agency

Small Parcels Owned by City/Agency

Project Area Boundary







APPENDIX 6

Funding From Other Sources for Redevelopment Project Area Improvements



COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING IN REDEVELOPMENT PROJECT AREAS

FUNDING YEAR 1975 1979	PROJECT AREA: OAKVIEW Construction of Oakview Community Center and Community Center Addition.
	TOTAL FUNDING: \$289,164.
1977 1981	Construction of Oakview Day Care facility and addition.
	TOTAL FUNDING: \$330,097.
1982 1984	Oakview neighborhood street improvements including Koledo Lane improvements.
	TOTAL FUNDING: \$536,250
1985	Development of Oakview neighborhood improvements.
	TOTAL FUNDING AVAILABLE, NOT YET EXPENDED: \$646,037.
	PROJECT AREA: DOWNTOWN
1984	Relocation assistance available to downtown businesses and residents located in Phase I of project area.
	TOTAL FUNDING AVAILABLE, NOT YET EXPENDED: \$1,019,005.
1975	Construction of Lake Street Fire Station
	TOTAL FUNDING: \$588,087.
1975	Upgrading of water facilities.
	TOTAL FUNDING: \$50,000.
	PROJECT AREA: HUNTINGTON CENTER AND PROPOSED BEACH BOULEVARD.
1983	Planning studies and consulting work for proposed Redevelopment Project Area. Planning studies and consulting and connection to Hoover Street.
	TOTAL FUNDING: \$68,362.

OTHER SOURCES OF FUNDING IN REDEVELOPMENT PROJECT AREAS

PROJECT AREA: DOWNTOWN

APPROVED BY CITY COUNCIL 9/08/87

SOURCE OF FUNDING: WATER FUND CONTRACT FOR INSTALLATION OF WATER LINE TO SERVE DOWNTOWN AREA.

FUNDING AVAILABLE: \$1,980.060.

APPENDIX H

Summary of Redevelopment Procedures



SUMMARY OF REDEVELOPMENT PROCEDURES*

Major housing assistance and redevelopment programs began at the federal level with the United States Housing Act of 1937. Concerned over the presence of urban slums and tenement dwellings, some groups began to seek federal support for public housing as early as the 1920's. The 1937 Act was adopted as a way of providing direct grants to cities for slum clearance. However, Congress failed to vote additional funding for major housing and redevelopment programs until 1948.

Between 1949 and 1974 most federal public housing and redevelopment assistance was granted pursuant to the Housing Act of 1949. The federal redevelopment law contained a "predominately residential" rule until amended in 1954 to allow 30% of funds allocated pursuant to Title I of the Act to be used for non-residential redevelopment projected. National policy was then redirected toward community economic development, called "urban renewal", and the predominately residential rule was deleted.

Within this historical setting, the California Community Redevelopment Law was adopted by the State Legislature in 1945. As indicated previously, the California Community Redevelopment Law is found in Sections 33000 et. seq. of the Health and Safety Code. As stated therein, redevelopment means "the planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all or part of a survey area . . .". The purpose of redevelopment is the elimination of blight, as so defined in the code, the expansion of housing, and the creation of jobs.

A redevelopment agency has been established by State law in every city and county within the State. As stated in Section 33100 of the Health and Safety Code, "there is in each community a public body, corporate and politic, known as the redevelopment agency of the community". However, the agency has no ability to transact any business or exercise any power until the city or county activates it by ordinance. The ordinance activating the agency is subject to referendum and, among other things, can provide for a governing board that is the same as or separate from the local legislative body.

Before a city or county can designate an area for redevelopment and adopt a redevelopment plan, certain procedures, as defined in State law, must be followed. These procedures are presented in Exhibit A on the following page and are summarized below.

- DESIGNATION OF SURVEY AREA--The legislative body of the city or county must designate, through resolution, a survey area or areas. As stated in Section 33312 of the Health and Safety Code, the resolution must contain the following:
 - (a) A finding that the area requires study to determine if a redevelopment project or projects within said area are feasible;
 - (b) A description of the boundaries of the area designated.
- Commission, may encompass all or part of the previously designated survey area. Furthermore, the boundaries of the project area may be contiguous or non-contiguous. However, the project area must be a blighted area requiring redevelopment to meet the public purposes of this law. Section 33321 of the Health and Safety Code, which identifies the scope or characteristics of a project area, provides that the scope of the project area:

"...need not be restricted to buildings, improvements, or lands which are detrimental or inimical to the public health, safety, or welfare, but may consist of an area in which such conditions predominate and injuriously affect the entire area. A project area may include lands, buildings, or improvements which are not detrimental to the public health, safety or welfare, but whose inclusion is found necessary for the effective redevelopment of the area of which they are a part. Each such area included under this section shall be necessary for effective redevelopment and shall not be included for the purpose of obtaining the allocation of tax increment revenue from such area pursuant to Section 33670 without other substantial justification for its inclusion".

FORMULATION OF PRELIMINARY PLAN--The planning commission of each city or county in cooperation with the agency, is required to prepare a preliminary plan for the redevelopment of each selected project area. As stated in Section 33324 f the Health and Safety Code, the preliminary plan must contain the following pieces of information:

- (a) Description of the project area
- (b) A general statement of the land uses, layout of principal streets, population densities and building intensities, and standards proposed as the basis for the redevelopment of the project area
- (c) Identification of how the purposes of redevelopment would be attained by this redevelopment project
- (d) Indication that the proposed redevelopment plan conforms to the master or general community plan
- (e) Description, generally, of the impact that this project would have upon residents thereof and upon the surrounding neighborhood.

The planning commission is required to submit the preliminary plan for each project area to the agency.

- PREPARATION OF REDEVELOPMENT PLAN--A redevelopment plan must be prepared by the Agency for every project area. The plan must conform to the community's general plan and include, among other things, the following pieces of information:
 - Boundary description
 - Approximate amount of open space provided
 - Street layout
 - Building restrictions
 - Number of buildings and proposed uses
 - Number of dwelling units
 - Property devoted to public purposes
 - Neighborhood impact report
 - Description of proposed financing method.

In addition to the specific provisions referenced above, the Health and Safety Code requires that a variety of broader provisions, dealing with owner participation and related considerations, be included in the redevelopment plan.

- SUBMISSION OF PLAN TO PLANNING COMMISSION--Prior to submitting the plan to the legislative body, it is submitted to the planning commission for review and comment. In its report, the planning commission will include any recommendations concerning the redevelopment plan and its conformity to the general plan. The planning commission may recommend for or against the approval of the redevelopment plan. If the planning commission does not respond within 30 days, they are deemed to have approved the plan.
- SUBMISSION OF PLAN TO PROJECT AREA COMMITTEE—For project areas within which a substantial number of low and moderate income families are to be displaced due to redevelopment activity, the legislative body of the agency is required to call upon residents and existing community organizations within the project area to form a project area committee. If a project area committee has been formed within the project area, the redevelopment plan must be submitted to the committee for review and comment prior to submitting the plan to the legislative body. The committee may choose to prepare a report and recommendations for submission to the legislative body.
- REVIEW OF PLAN BY FISCAL REVIEW COMMITTEE—A fiscal review committee may be formed within any project area where the redevelopment plan of the project area proposes the use of tax increment financing. The county or any affected taxing entity may call for the creation of a fiscal review committee, which is composed of one representative from each of the affected taxing entities. The fiscal review committee is to hold a hearing on the redevelopment plan not less than 25 and not more than 40 days from the transmission of the plan from the agency to the committee. After the hearing, the committee has 30 days to prepare and issue a report suggesting amendments to the plan which would alleviate any fiscal impact on affected taxing agencies.
- PUBLIC HEARING--Both the agency and the City Council/Board of Supervisors must hold a public hearing on the proposed redevelopment plan. Notices must be published in local newspapers and certified notices must be mailed to each property owner and local taxing entity within the proposed project area.
- CONSIDERATION OF PLAN BY LEGISLATIVE BODY—Upon the preparation and approval of the plan by the agency, the redevelopment plan is submitted to the legislative body. If the planning commission or project area committee has recommended against the plan, a 2/3 vote is required for approval. If approved, the ordinance adopting the redevelopment plan is forwarded to appropriate government officials including the agency, and the auditor and tax assessor of the county in which the project is located.

To finance redevelopment activity, redevelopment agencies are authorized to, among other things, borrow money, accept funds advanced by the city/county, and issue bonds for redevelopment purposes. The principal financing mechanism authorized to finance redevelopment activity, however, is tax increment financing, which provides funds to pay off tax allocation bonds and other debt incurred by the agency.

Tax increment financing is authorized in Article XVI, Section 16 of the State Constitution and in Section 33670 of the Health and Safety Code. The provision provides that at the time the redevelopment plan is adopted, the assessed value within the project area is frozen, and that any property tax revenue generated by an increase in assessed value over the frozen base may be utilized by the agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or

otherwise) it incurs in conjunction with redeveloping the area. As a condition of receiving tax increment revenue, the agency must file a statement of indebtedness with the County. For projects that were established in 1977 or later, 20% of this tax increment revenue must be used for low and moderate income housing, unless the Agency makes specific findings in this regard pursuant to Section 33334.2 of the Health and Safety Code. When all indebtedness is repaid, the base is unfrozen and the tax increment, thereafter, is paid to all of the local taxing entities within the project area.

* An excerpt from "The Use of Redevelopment and Tax Increment Financing by Cities and Counties" published by California Debt Advisory Commission, October 1984.

0108R

